

Deadline Tomorrow at Noon!

Investigate Halliburton Allegations

Demand Appointment of a Special Counsel

Signers so far:

McDermott, Lee, Wexler, Carson (IN), Meehan, Sanders, Watson, Ackerman, Abercrombie, Schakowsky, DeFazio, Conyers, Owens, Meeks Delahunt, Kucinich, Hastings (FL), Waters

February 4, 2004

Dear Colleague:

On Sunday, January 25, 2004, *60 Minutes* reported on an investigation they had conducted into U.S. corporations that may be conducting business with state sponsors of terrorism through straw companies in order to avoid U.S. sanctions. If true, these allegations are extremely serious and deserve to be prosecuted to the fullest extent of the law.

The CBS report focused on Halliburton, and mentioned Conoco-Phillips and General Electric. According to the *60 Minutes* story, CBS News investigated Halliburton Products and Services, Ltd., which is wholly owned by U.S. based Halliburton and provides approximately \$40 million in oil field services to the Government of Iran. In attempting to track down the Cayman Island based Halliburton Products and Services, CBS reports that they found no employees worked in the Cayman Islands. The Calidonian Bank representative in the Cayman Islands at which the company is registered told CBS News that any mail is rerouted to Halliburton headquarters in Houston.

CBS learned from a Halliburton letter to the New York City Comptroller that the Cayman Island subsidiary is operated from Dubai. When *60 Minutes* went to this Dubai office, they found that it was co-located with a division of U.S. based Halliburton, sharing the office space, phone and fax lines. The transcript of the *60 Minutes* report can be found at:

<http://www.cbsnews.com/stories/2004/01/22/60minutes/main595214.shtml>.

It is extremely disturbing to hear media reports of possible violations of our anti-terrorism laws by prominent American companies through straw corporations established to evade U.S. law. What makes these charges extraordinary is the potential involvement of the Vice President, since Halliburton Products and Services began operations in Iran during the time that Vice President Cheney was CEO of Halliburton. Because these allegations potentially implicate the Vice President of the United States in violations of our anti-terrorism laws, I believe the Attorney General should appoint an outside special counsel to investigate this matter.

Attached is letter to Attorney General Ashcroft asking him appoint a special counsel. If you

would like to join me in making this request, please contact David Stacy at 5-2906 or david.stacy@mail.house.gov.

Sincerely,

/s/

Tammy Baldwin
Member of Congress

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February 6, 2004

The Honorable John D. Ashcroft
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear General Ashcroft:

We write to request that you appoint a special counsel to investigate whether certain corporations are violating U.S. law by conducting business with state sponsors of terrorism. On numerous occasions, and most recently in his State of the Union message, the President has discussed the threat that state sponsors of terrorism pose to the security of the United States and democratic countries around the world. All Members of Congress share that concern. In order to address these threats, over the past two decades, Congress has passed laws to prevent U.S. persons and U.S. corporations from doing business with these regimes. Enforcement of these laws is crucial to our national security.

It is extremely disturbing to hear media reports of possible violations of our anti-terrorism laws by prominent American companies through straw corporations established to evade U.S. law. On Sunday, January 25, 2004, the CBS News program *60 Minutes* reported that they had found evidence that at least three American companies are involved in this sort of illegal activity. The CBS report focused on Halliburton, and mentioned Conoco-Phillips and General Electric. If true, these violations should be prosecuted to the fullest extent of the law.

Because these allegations involve a company that the Vice President of the United States ran during the time of the alleged violations, we formally request that you appoint an outside counsel to investigate these potential violations of Section 505 of the International Security and Development Cooperation Act of 1985, 31 C.F.R. Part 560, and Executive Orders 12613, 12957, 12959, and 10359.

Under the Department's regulations, the Attorney General is required to appoint a special counsel when (1) a "criminal investigation of a person or matter is warranted," (2) the investigation "by a

United States Attorney's Office or litigating Division of the Department of Justice would present a conflict of interest for the Department," and (3) "it would be in the public interest to appoint an outside Special Counsel to assume responsibility for the matter." 28 C.F.R. Section 600.1 (2002).

The questions these allegations raise about the actions of a company run by Vice President Cheney are serious and disturbing. Corporate criminal penalties for violating U.S. sanctions against Iran are up to \$500,000, with individual penalties up to \$250,000 and 10 years in prison. I believe you will agree that this matter presents a clear conflict of interest for you and the Department.

According to the *60 Minutes* story, CBS News investigated Halliburton Products and Services, Ltd., which is wholly owned by U.S. based Halliburton and provides approximately \$40 million in oil field services to the Government of Iran. In attempting to track down the Cayman Island based Halliburton Products and Services, CBS reports that they found no employees worked in the Cayman Islands. The Calidonian Bank representative in the Cayman Islands at which the company is registered told CBS News that any mail is rerouted to Halliburton headquarters in Houston.

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General Ashcroft, this *60 Minutes* investigation raises extremely serious concerns that may have an impact on our nation's security. Attached is a transcript of the 60 Minutes report. We believe it is crucial that these allegations be pursued immediately and with vigor. An outside special counsel is the only way to ensure the American people that the investigation is thorough and independent.

We look forward to promptly hearing whether you will appoint a special counsel. If you decide not to appoint a special counsel, please explain the rationale for your decision and indicate whether you will open an internal investigation.

Sincerely,